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**TO: Economic Support Supervisors  
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Training Staff  
Child Care Coordinators  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers**

**FROM: Amy Mendel-Clemens  
Technical Assistance, Training & Education  
Section  
Bureau of Eligibility Management  
Division of Health Care Financing**

**BEM/DWS OPERATIONS MEMO**

**No: 05- 09**

**DATE: 02/08/2005**

FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★

**PRIORITY: HIGH**

**SUBJECT: Medicaid Average Nursing Home Private Pay Rate**

**CROSS REFERENCE:** MEH 4.7.5

**EFFECTIVE DATE:** January 1, 2005

**PURPOSE**

This memo provides the updated average nursing home private pay rate.

**BACKGROUND**

The average nursing home private pay rate is used to determine the length of the Medicaid divestment penalty period. The divested amount is divided by the average nursing home private pay cost per month; the resulting whole number quotient of that equation is the number of months the individual is penalized for the divestment.

The average nursing home private pay rate is derived from data presented in the annual report, "Wisconsin Nursing Homes and Facilities for the Developmentally Disabled". This report summarizes statistical information about Wisconsin nursing homes and their residents. The source of the data in this report is the 2003 Annual Survey of Nursing Homes, which was conducted by the Wisconsin Department of Health and Family Services.

## DISCUSSION

To determine the average private pay rate for nursing homes in Wisconsin, we consider the private pay daily rate at the four most common levels of care. We take into account the number of residents at each level of care as of December 31, 2003 to arrive at a weighted average. The average daily rate is then converted to a monthly amount.

	Per Diem Cost	Residents on 12/31/03	Weighted Average	
Intensive Skilled Nursing	\$202	64	12,928	
Skilled Nursing Facilities	\$168	5776	970,368	
Intermediate Care Facilities	\$153	240	36,720	
Limited Care Facilities	\$118	25	2950	
Totals		6,105	1,022,966	\$167.56
Weighted Average Private Pay Cost/Month				\$5,096.00

## NEW AMOUNT

The new average nursing home private pay rate is \$5,096.00. Use this new amount when determining all new divestment penalty periods.

**NOTE ➤** Divestment penalty periods determined manually after January 1, 2005 must be recalculated using this new amount. Notify the client of the change in penalty period.

A revision to the MEH handbook will be made in a future release.

## CARES

All eligibility determinations made in CARES since January 1, 2005 reflected this increase. Use CARES reference table TASP for divestment penalty calculations made on and after January 1, 2005.

## CONTACTS

BHCE CARES Information & Problem Resolution Center

★Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

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